

EXTENDED DUE DATE 5/15/2010

Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

**2008**Open to Public  
Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

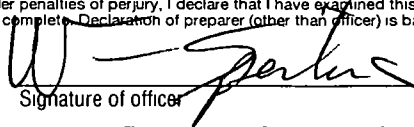

**A** For the 2008 calendar year, or tax year beginning **JUL 1, 2008** and ending **JUN 30, 2009**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type:  See Specific Instructions	<b>C</b> Name of organization <b>SEATTLE ROTARY SERVICE FOUNDATION</b>		<b>D</b> Employer identification number <b>91-0612120</b>
		Doing Business As		<b>E</b> Telephone number <b>206-623-0023</b>
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>1215 4TH AVENUE, SUITE 1215</b>		<b>G</b> Gross receipts \$ <b>1,047,807.</b>
		City or town, state or country, and ZIP + 4 <b>SEATTLE, WA 98161</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>F</b> Name and address of principal officer <b>BILL SPERLING</b> <b>SAME AS C ABOVE.</b>				
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J</b> Website: ▶ <b>HTTP://WWW.SEATTLEROTARY.ORG</b>				
<b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ <b>L</b> Year of formation: <b>1968</b> <b>M</b> State of legal domicile: <b>WA</b>				

**Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <b>SEE SCHEDULE O</b>				
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets				
	3	Number of voting members of the governing body (Part VI, line 1a)			
	4	Number of independent voting members of the governing body (Part VI, line 1b)			
	5	Total number of employees (Part V, line 2a)			
	6	Total number of volunteers (estimate if necessary)			
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)			
7b	Net unrelated business taxable income from Form 990-T, line 34				
Revenue	8 Contributions and grants (Part VIII, line 1h)		Prior Year	Current Year	
	9 Program service revenue (Part VIII, line 2g)		253,712.	690,055.	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		72,286.	<109,478.>	
	11 Other revenue (Part VIII, column (A), lines 8c, 9c, 10c, and 11e)				
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		325,998.	580,577.	
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		520,948.	191,860.
		14 Benefits paid to or for members (Part IX, column (A), line 4)			
		15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		34,329.	
		16a Professional fundraising fees (Part IX, column (A), line 11e)			
		b Total fundraising expenses (Part IX, column (C), line 25) ▶			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		36,132.	428,924.		
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		591,409.	620,784.		
19 Revenue less expenses Subtract line 18 from line 12		<265,411.>	<40,207.>		
Assets or Fund Balances	20 Total assets (Part X, line 16)		Beginning of Year	End of Year	
	21 Total liabilities (Part X, line 26)		1,088,406.	1,088,091.	
	22 Net assets or fund balances Subtract line 21 from line 20		212,334.	281,899.	
		876,072.	806,192.		

**Part II Signature Block**

Sign Here Date 07/02/2009	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge			
	Signature of officer 		Date <b>5-11-10</b>	
	<b>BILL SPERLING, PRESIDENT</b> Type or print name and title			
Preparer's Use Only	Preparer's Signature 	Date <b>5-5-10</b>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 <b>CLOTHIER &amp; HEAD, P.S.</b> <b>1301 FIFTH AVENUE, SUITE 2800</b> <b>SEATTLE, WA 98101</b>		EIN ▶	Phone no. ▶ <b>(206) 622-1326</b>

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

03 5/10

**Part III** Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

THE PRIMARY MISSION OF THE SEATTLE ROTARY SERVICE FOUNDATION IS TO PROVIDE SUPPORT TO VARIOUS ORGANIZATIONS DEALING WITH THE NEEDS OF THE GENERAL PUBLIC WITH AN EMPHASIS ON SUPPORTING VARIOUS YOUTH ACTIVITIES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes", describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes", describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
 AN ADDITIONAL PAYMENT OF \$100,000 WAS MADE TOWARD A MAJOR GRANT IN SUPPORT OF THE ROTARY CLUB OF SEATTLE'S CENTENNIAL PROJECT -- TO DEVELOP THE ROTARY SUPPORT CENTER FOR FAMILIES. THE FOUNDATION COMMITTED TO MAKE THIS GRANT IN A PRIOR PERIOD, SO NO CURRENT YEAR EXPENSE IS RECOGNIZED.

4b (Code: ) (Expenses \$ 60,503. including grants of \$ 60,503. ) (Revenue \$ )  
 CONTRIBUTIONS WERE MADE TO VARIOUS ORGANIZATIONS IN SUPPORT OF EARLY LEARNING, ACADEMIC ACHIEVEMENT AND LEADERSHIP DEVELOPMENT OF CHILDREN AND YOUTH.

4c (Code: ) (Expenses \$ 59,050. including grants of \$ 59,050. ) (Revenue \$ )  
 CONTRIBUTIONS WERE MADE TO VARIOUS ORGANIZATIONS IN SUPPORT OF EDUCATION, DEVELOPMENT, AND HUMANITARIAN SERVICES IN DEVELOPING COUNTRIES AROUND THE WORLD.

4d Other program services. (Describe in Schedule O.)

(Expenses \$ 72,307. including grants of \$ 72,307. ) (Revenue \$ )

4e Total program service expenses ► \$ 191,860. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<b>X</b>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	<b>X</b>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<b>X</b>
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		<b>X</b>
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<b>X</b>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<b>X</b>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<b>X</b>
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		<b>X</b>
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<b>X</b>	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	<b>X</b>	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		<b>X</b>
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<b>X</b>
14a Did the organization maintain an office, employees, or agents outside of the U S ?		<b>X</b>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? <i>If "Yes," complete Schedule F, Part I</i>	<b>X</b>	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	<b>X</b>	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		<b>X</b>
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		<b>X</b>
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		<b>X</b>
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<b>X</b>
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		<b>X</b>
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<b>X</b>	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	<b>X</b>	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>		<b>X</b>
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K</i> <i>If "No," go to question 25</i>		<b>X</b>
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		<b>X</b>
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		<b>X</b>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<b>X</b>
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		<b>X</b>
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		<b>X</b>
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		<b>X</b>

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**Part V** Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.		
<b>1a</b>	0		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
<b>1b</b>	0		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
<b>2a</b>	0		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions).		
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>4b</b>	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?		X
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.		
<b>7e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	X	
<b>7h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	X	
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter: <b>N/A</b>		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12.		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter: <b>N/A</b>		
<b>11a</b>	Gross income from members or shareholders.		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year: <b>N/A</b>		

Form 990 (2008)

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	9	
1b	Enter the number of voting members that are independent	9	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	X	
5	Did the organization become aware during the year of a material diversion of the organization's assets?	X	
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?		X
14	Does the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
a	The organization's CEO, Executive Director, or top management official?		X
b	Other officers or key employees of the organization?		X
Describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

17 List the states with which a copy of this Form 990 is required to be filed ► **WA**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☒ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ►  
**PETERSON SULLIVAN LLP - (206)382-7777**  
**601 UNION STREET SUITE 2300, SEATTLE, WA 98101**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors****Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
STEN CRISSEY PRESIDENT	1.00	X		X				0.	0.	0.
BILL SPERLING VICE PRESIDENT	2.00	X		X				0.	0.	0.
SKIP ROWLAND SECRETARY	1.00	X		X				0.	0.	0.
JEAN BATEMAN TREASURER	1.00	X		X				0.	0.	0.
RANDY REVELLE TRUSTEE	1.00	X						0.	0.	0.
MARK WRIGHT TRUSTEE	1.00	X						0.	0.	0.
JUDY WHETZEL TRUSTEE	1.00	X						0.	0.	0.
KIM MOORE TRUSTEE	1.00	X						0.	0.	0.
JAMES WONG TRUSTEE	1.00	X						0.	0.	0.





**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	690,055.			
	g	Noncash contributions included in lines 1a-1f \$					
	h	<b>Total.</b> Add lines 1a-1f		690,055.			
Program Service Revenue			Business Code				
	2 a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
g	<b>Total.</b> Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		20,709.			20,709.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross Rents	(i) Real (ii) Personal				
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other	337043.			
	b	Less cost or other basis and sales expenses		467230.			
	c	Gain or (loss)		<130,187.>			
	d	Net gain or (loss)		<130,187.>			<130187.>
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10 a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue			Business Code				
11 a							
b							
c							
d	All other revenue						
e	<b>Total.</b> Add lines 11a-11d						
12	<b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 8d, 7d, 8c, 9c, 10c, and 11e		580,577.	0.	0.	<109478.>	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	83,970.	83,970.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	48,840.	48,840.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	59,050.	59,050.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	26,778.		26,778.	
b Legal				
c Accounting	26,736.		26,736.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	6,615.		6,615.	
g Other				
12 Advertising and promotion				
13 Office expenses	1,099.		1,099.	
14 Information technology				
15 Royalties				
16 Occupancy	3,000.		3,000.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a FUNDS MISAPPROPRIATED	361,094.		361,094.	
b BANK FEES	3,567.		3,567.	
c STATE FILING FEES	35.		35.	
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	620,784.	191,860.	428,924.	0.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing	1,662.	1	4,635.
	2 Savings and temporary cash investments	907,391.	2	272,281.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	361,094.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment - cost basis	10a 178,103.		
	b Less accumulated depreciation. Complete Part VI of Schedule D	10b		
		178,103.	10c	178,103.
	11 Investments - publicly traded securities		11	271,978.
	12 Investments - other securities. See Part IV, line 11	1,250.	12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11		15		
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	1,088,406.	16	1,088,091.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses		17	4,055.
	18 Grants payable		18	45,029.
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	212,334.	25	232,815.
	26 <b>Total liabilities.</b> Add lines 17 through 25	212,334.	26	281,899.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets	496,217.	27	518,392.
	28 Temporarily restricted net assets	3,460.	28	14,310.
	29 Permanently restricted net assets	376,395.	29	273,490.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 <b>Total net assets or fund balances</b>	876,072.	33	806,192.
	34 <b>Total liabilities and net assets/fund balances</b>	1,088,406.	34	1,088,091.

**Part XI Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	X	
b Were the organization's financial statements audited by an independent accountant?		X
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits?		

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

**SEATTLE ROTARY SERVICE FOUNDATION**

Employer identification number

**91-0612120**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H.)
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state. \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete the Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**. (see instructions)
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 

a ☐ Type I      b ☐ Type II      c ☐ Type III - Functionally integrated      d ☐ Type III - Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule A (Form 990 or 990-EZ) 2008

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	319,481.	362,033.	239,952.	253,713.	328,961.	1,504,140.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 - 3	319,481.	362,033.	239,952.	253,713.	328,961.	1,504,140.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public Support.</b> Subtract line 5 from line 4						1,504,140.

**Section B. Total Support**

Calendar year (or fiscal year beginning in)▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4	319,481.	362,033.	239,952.	253,713.	328,961.	1,504,140.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	44,730.	76,916.	44,730.	30,402.	20,709.	217,487.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						1,721,627.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	87.37 %
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f	<b>15</b>	91.26 %
<b>16a 33 1/3% support test - 2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>		
<b>b 33 1/3% support test - 2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 - 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	<b>18</b>	%

**19a 33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

**b 33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

**Part IV**

**Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide any other additional information. (see instructions)

**SCHEDULE A, LIST OF UNUSUAL GRANTS RECEIVED:**

**REIMBURSEMENT FOR MISAPPROPRIATED FUNDS**

**DATE:** 06/30/09      **AMOUNT:** 355173.

**REIMBURSEMENT FOR EXPENSES INCURRED DUE TO MISAPPROPRIATION**

**DATE:** 06/30/09      **AMOUNT:** 5921.

**Schedule D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

SEATTLE ROTARY SERVICE FOUNDATION

Employer identification number

91-0612120

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange programs  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance  
 d Additions during the year  
 e Distributions during the year  
 f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	777,933.				
b Contributions	607.				
c Investment earnings or losses	<169,519.>				
d Grants or scholarships	<50,000.>				
e Other expenditures for facilities and programs	<280,428.>				
f Administrative expenses	<6,615.>				
g End of year balance	271,978.				

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ☐ %  
 b Permanent endowment ☒ 100.00 %  
 c Term endowment ☐ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations  
 (ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings		178,103.		178,103.
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				178,103.

Schedule D (Form 990) 2008



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b

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**Schedule F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

▶ Attach to Form 990. Complete if the organization answered "Yes" to  
Form 990, Part IV, line 14b, line 15, or line 16.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

Employer identification number

**SEATTLE ROTARY SERVICE FOUNDATION**

**91-0612120**

**Part I** General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No

**2 For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States

**3 Activities per Region.** (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
EAST ASIA & THE PACIFIC	0	0	PROGRAM SERVICES	MINE CLEARANCE	4,000.
SOUTH AMERICA	0	0	PROGRAM SERVICES	WHEELCHAIRS FOR CHILDREN	5,000.
SOUTH ASIA	0	0	PROGRAM SERVICES	BURN REHAB, RISING STAR OUTREACH, HOSPITAL CENTER	14,750.
SUB-SAHARAN AFRICA	0	0	PROGRAM SERVICES	WATER & HEALTH PROJECT, FOOTBRIDGE, THEMALATHU TRUST, BEEKEEPING, IRRIGATION PUMPS, EDU	35,300.
<b>Totals</b>					59,050.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2008

SEE PART IV FOR COLUMN (E) DESCRIPTIONS

**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000 ☐

Use Schedule F-1 (Form 990) if additional space is needed

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			SOUTH AMERICA	WHEELCHAIRS FOR CHILDREN	5,000	CHECK	0		
			SOUTH ASIA	HOSPITAL CENTER	7,500	CHECK	0		
			SUB-SAHARAN AFRICA	FOOTBRIDGE	5,000	CHECK	0		
			SUB-SAHARAN AFRICA	WATER & HEALTH	5,000	CHECK	0		
			SUB-SAHARAN AFRICA	BEEKEEPING	5,000	WIRE TRANSFER	0		
			SUB-SAHARAN AFRICA	IRRIGATION PUMPS	5,000	WIRE TRANSFER	0		

2 Enter total number of organizations that are recognized as charities by the foreign country or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter 0

3 Enter total number of other organizations or entities 6

Schedule F (Form 990) 2008



**Part IV** Supplemental Information

Complete this part to provide the information required by Part I, line 2, and any other additional information

PART I, LINE 3, COLUMN (E):

REGION: SUB-SAHARAN AFRICA

(E) SPECIFIC TYPES OF SERVICES IN REGION: WATER & HEALTH PROJECT,  
FOOTBRIDGE, THEMALATHU TRUST, BEEKEEPING, IRRIGATION PUMPS, EDU AFRICA

**SCHEDULE I**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Grants and Other Assistance to Organizations,  
Governments, and Individuals in the U.S.

OMB No. 1545-0047

2008

► Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.  
► Attach to Form 990.

Open to Public  
Inspection

Name of the organization

**SEATTLE ROTARY SERVICE FOUNDATION**

Employer identification number  
**91-0612120**

**Part I** General Information on Grants and Assistance

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

**2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed. ☐

**Part II**

**Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed. ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FOUNDATION FOR EARLY LEARNING 615 2ND AVE SUITE 525 SEATTLE, WA 98104		501(C)(3)	7,523.	0.			ARTS & CRAFTS PROGRAM, READ ALOUD PROGRAM, AND BOOK DRIVE
WELLSPRING FAMILY SERVICES CENTENNIAL PROJECT - 615 2ND AVE SUITE 150 - SEATTLE, WA 98104		501(C)(3)	100,000.	0.			SUPPORT OF FAMILY SERVICES PROGRAMS
ROTARY BOYS & GIRLS CLUB 201 19TH AVE SEATTLE, WA 98122		501(C)(3)	30,901.	0.			SUPPORT OF VARIOUS PROGRAMS INCLUDING ARTS & CRAFTS, SCHOOL SUPPLIES, YOUTH OF THE QUARTER
ROTARY DISTRICT 5030 P.O. BOX 40418 BELLEVUE, WA 98015		501(C)(3)	26,800.	0.			SUPPORT OF FIRST HARVEST FOOD DELIVERIES, MATCHING GRANTS, MUSIC4LIFE PROGRAM, AND RUSSIAN
ROTARY CLUB OF SEATTLE 1215 4TH AVE #1215 SEATTLE, WA 98101		501(C)(4)	5,000.	0.			SUPPORT OF THE WINNER FOR LIFE LUNCHEON

**2** Enter total number of section 501(c)(3) and government organizations

**3** Enter total number of other organizations

4. **1.**

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

SEE PART IV FOR COLUMN (H) DESCRIPTIONS

Schedule I (Form 990) 2008



**Part III** **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

**Part IV** **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information**PART II, LINE 1, COLUMN (H):**

NAME OF ORGANIZATION OR GOVERNMENT: ROTARY BOYS &amp; GIRLS CLUB

(H) PURPOSE OF GRANT OR ASSISTANCE: SUPPORT OF VARIOUS PROGRAMS  
INCLUDING ARTS & CRAFTS, SCHOOL SUPPLIES, YOUTH OF THE QUARTER AWARDS,  
HOLIDAY GIFTS, LEADERS & ACHIEVERS, MAINTENANCE DAY, PHIL SMART REAP  
SCHOLARSHIP, AFTER-SCHOOL SNACK PROGRAM.

NAME OF ORGANIZATION OR GOVERNMENT: ROTARY DISTRICT 5030

(H) PURPOSE OF GRANT OR ASSISTANCE: SUPPORT OF FIRST HARVEST FOOD

<b>Part IV</b>	<b>Supplemental Information</b>
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DELIVERIES, MATCHING GRANTS, MUSIC4LIFE PROGRAM, AND RUSSIAN GRANTS

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**  
Open to Public  
Inspection

Name of the organization

SEATTLE ROTARY SERVICE FOUNDATION

Employer identification number  
91-0612120

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

TO PROVIDE SUPPORT TO VARIOUS ORGANIZATIONS DEALING WITH THE NEEDS OF  
THE GENERAL PUBLIC, WITH AN EMPHASIS ON SUPPORTING VARIOUS YOUTH  
ACTIVITIES.

FORM 990, PART VI, SECTION A, LINE 3: THE SEATTLE ROTARY SERVICE  
FOUNDATION HAS NO EMPLOYEES, BUT USES ADMINISTRATIVE SERVICES PROVIDED FOR  
A FEE BY AN EMPLOYEE OF THE ROTARY CLUB OF SEATTLE.

FORM 990, PART VI, SECTION A, LINE 4: THE SEATTLE ROTARY SERVICE  
FOUNDATION ADOPTED A NEW INTERNAL CONTROLS DOCUMENT AND PROCESS.

THE ORGANIZATION ALSO AMENDED ITS BYLAWS, TO INCLUDE THE FOLLOWING CHANGES:

(1) "THE PRINCIPAL OFFICE OF THE FOUNDATION SHALL BE AT 1215 FOURTH  
AVENUE, SUITE 1215, SEATTLE, KING COUNTY, WASHINGTON..."

(2) THE FOLLOWING PROVISION WAS STRICKEN FROM SECTION 4.1: "A TRUSTEE WHO  
VOTES IN FAVOR OF AN ACTION SHALL NOT HAVE A RIGHT TO SUBSEQUENTLY  
DISSENT."

FORM 990, PART VI, SECTION A, LINE 5: DURING THE TAX YEAR ENDED  
6/30/2009, THE SEATTLE ROTARY SERVICE FOUNDATION BECAME AWARE OF A MATERIAL  
DIVERSION OF THE ORGANIZATION'S ASSETS. A LONG-TIME ADMINISTRATIVE SERVICE  
PROVIDER, WHO WAS AN EMPLOYEE OF THE ROTARY CLUB OF SEATTLE, WAS DISCOVERED  
TO HAVE BEEN WRITING CHECKS FROM THE ORGANIZATION'S ACCOUNTS TO HERSELF  
PERSONALLY, AND FALSIFYING FINANCIAL RECORDS TO HIDE HER MISDEEDS. UPON  
THIS DISCOVERY, THE WORKER WAS IMMEDIATELY TERMINATED BY THE ROTARY CLUB

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

SEATTLE ROTARY SERVICE FOUNDATION

Employer identification number  
91-0612120

OF SEATTLE, AND FORMAL CRIMINAL CHARGES WERE PRESSED. SHE WAS ULTIMATELY CHARGED WITH MULTIPLE FELONY COUNTS OF THEFT IN THE FIRST AND SECOND DEGREE FOR MISAPPROPRIATING AN AGGREGATE OF \$355,173 FROM THE FOUNDATION OVER A PERIOD SPANNING SEVEN (7) YEARS, AS SHOWN BELOW. SHE HAS PLEADED GUILTY TO TEN (10) COUNTS OF FIRST DEGREE THEFT, AND SENTENCING IS CURRENTLY SCHEDULED FOR MAY 14, 2010. DURING THE TAX YEAR ENDED 6/30/2009, THE FOUNDATION RECEIVED REIMBURSEMENT FROM THE ROTARY CLUB OF SEATTLE IN THE FORM OF A CONTRIBUTION OF \$361,094, TO REPLACE THE FUNDS MISAPPROPRIATED FROM THE FOUNDATION BY THE CLUB'S EMPLOYEE, AND TO COVER THE COSTS INCURRED IN CONNECTION WITH THESE LOSSES. NEW INTERNAL CONTROLS AND PROCEDURES HAVE BEEN ADOPTED AND IMPLEMENTED TO HELP PREVENT THIS TYPE OF LOSS IN THE FUTURE. BELOW IS A BREAKDOWN OF THE MISAPPROPRIATIONS BY YEAR, AS RECONSTRUCTED BY A FORENSIC ACCOUNTING SPECIALIST HIRED BY THE THE ROTARY CLUB OF SEATTLE:

7/1/02 - 6/30/03: \$1,200.00

7/1/03 - 6/30/04: \$46,593.86

7/1/04 - 6/30/05: \$44,200.00

7/1/05 - 6/30/06: \$ 0.00

7/1/06 - 6/30/07: \$37,450.00

7/1/07 - 6/30/08: \$148,950.00

7/1/08 - 6/30/09: \$76,778.80

TOTAL MISAPPROPRIATED: \$355,172.66

FORM 990, PART VI, SECTION A, LINE 6: SEATTLE ROTARY SERVICE FOUNDATION HAS APPROXIMATELY 650 MEMBERS WHO ELECT THE TRUSTEES THAT MAKE UP THE GOVERNING BODY OF THIS ORGANIZATION.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

**SCHEDULE O**

(Form 990)

Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990**▶ Attach to Form 990. To be completed by organizations to provide  
additional information for responses to specific questions for the  
Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**Open to Public  
Inspection

Name of the organization

SEATTLE ROTARY SERVICE FOUNDATION

Employer identification number

91-0612120

FORM 990, PART VI, SECTION A, LINE 7A: SEATTLE ROTARY SERVICE FOUNDATION  
MEMBERS ELECT DIRECTORS WHO SIT ON THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B: THE BOARD OF TRUSTEES CAN ALTER,  
AMEND OR REPEAL THE BYLAWS OF THE ORGANIZATION, AT WHICH TIME THE MEMBERS  
OF THE FOUNDATION ARE NOTIFIED IN WRITING OF SUCH CHANGE. THE MEMBERS MAY  
RESCIND THE BOARD'S ACTIONS WITH RESPECT TO THE BYLAWS BY WAY OF A  
MEMBERSHIP VOTE. THE VOTE SUPERCEDES AND TAKES PRECEDENCE OVER ANY ACTION  
OF THE BOARD OF TRUSTEES IN MAKING CHANGES TO THE BYLAWS.

FORM 990, PART VI, SECTION A, LINE 10: THE BOARD OF TRUSTEES SELECTED A  
SUBCOMMITTEE, COMPOSED OF BILL SPERLING, JACKIE BARDSLEY, AND CATHY GIBSON,  
TO REVIEW AND APPROVE THE TAX RETURN FOR THE ORGANIZATION.

FORM 990, PART VI, SECTION B, LINE 12C: THE TRUSTEES AND OFFICERS OF THE  
ORGANIZATION, ARE ASKED ANNUALLY IF THEY HAVE ANY CONFLICTS OF INTEREST.  
IF THERE IS A CONFLICT, THE TRUSTEE IS IMMEDIATELY ASKED TO STEP DOWN.

FORM 990, PART VI, SECTION C, LINE 19: SEATTLE ROTARY SERVICE FOUNDATION  
MAKES ITS GOVERNING DOCUMENTS AVAILABLE TO ITS MEMBERS THROUGH ITS WEBSITE.  
CONFLICT OF INTEREST AND OTHER POLICIES ARE MADE AVAILABLE TO ITS MEMBERS,  
AND TO MEMBERS OF THE PUBLIC UPON REQUEST.

FORM 990, PART X, LINE 25:

--GRANTS PAYABLE TO WELLSRING FAMILY SERVICES--

**SCHEDULE O**

(Form 990)

Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990**▶ Attach to Form 990. To be completed by organizations to provide  
additional information for responses to specific questions for the  
Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**Open to Public  
Inspection

Name of the organization

SEATTLE ROTARY SERVICE FOUNDATION

Employer identification number

91-0612120

USE OF CURRENT INCOME INCLUDES PAYMENT OF \$100,000 TO WELLSRING FAMILY  
SERVICES, WHICH IS THE CURRENT YEAR PORTION OF AN EIGHT YEAR COMMITMENT  
EXPENSED IN A PRIOR YEAR. AT THE END OF THE CURRENT YEAR \$200,000  
REMAINING OF THIS COMMITMENT.

FORM 990, PART X:

--PRIOR YEAR FINANCIAL RECORDS RECONSTRUCTED AND RESTATED --

AN EMPLOYEE OF THE ROTARY CLUB OF SEATTLE, WHO WAS PROVIDING  
ADMINISTRATIVE SERVICES TO THE SEATTLE ROTARY SERVICE FOUNDATION WAS  
CONVICTED FOR THE DIVERSION OF FUNDS FOR HER PERSONAL USE. DURING HER  
TENURE, SHE FALSIFIED THE FINANCIAL RECORDS OF THE FOUNDATION IN ORDER  
TO HIDE HER MISDEEDS. ONCE HER CRIMES WERE DISCOVERED, THE ROTARY CLUB  
OF SEATTLE HIRED A FORENSIC ACCOUNTANT TO DETERMINE THE NATURE AND  
EXTENT OF THE FALSIFICATIONS. USING THAT ACCOUNTANT'S REPORT, THE  
FOUNDATION'S BOOKS WERE RECONSTRUCTED FOR THE YEARS ENDED 6/30/2007,  
6/30/2008, AND 6/30/2009, AND THE FINANCIAL STATEMENTS OF THE  
ORGANIZATION WERE RESTATED FOR THESE PERIODS. THE ENDING BALANCE SHEET  
IN THE CURRENT RETURN INCORPORATES THE ADJUSTMENTS FOR THESE PRIOR  
PERIODS. HOWEVER, THE BEGINNING BALANCE SHEET REFLECTS THE ENDING  
VALUES AS REPORTED ON THE ORGANIZATION'S FORM 990 FOR THE FISCAL YEAR  
ENDED 6/30/2008.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

<b>Part II</b>	<b>Additional (Not Automatic) 3-Month Extension of Time.</b> Only file the original (no copies needed)	
Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization	Employer identification number
	SEATTLE ROTARY SERVICE FOUNDATION	91-0612120
	Number, street, and room or suite no. If a P.O. box, see instructions	For IRS use only
	1215 4TH AVENUE, SUITE 1215	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	SEATTLE, WA 98161	

**Check type of return to be filed** (File a separate application for each return)

☒ Form 990   
 ☐ Form 990-EZ   
 ☐ Form 990-T (sec. 401(a) or 408(a) trust)   
 ☐ Form 1041-A   
 ☐ Form 5227   
 ☐ Form 8870  
☐ Form 990-BL   
☐ Form 990-PF   
☐ Form 990-T (trust other than above)   
☐ Form 4720   
☐ Form 6069

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**PETERSON SULLIVAN LLP**

• The books are in the care of **601 UNION STREET SUITE 2300 - SEATTLE, WA 98101**

Telephone No **(206) 382-7777**

FAX No

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **MAY 15, 2010**

5 For calendar year , or other tax year beginning **JUL 1, 2008**, and ending **JUN 30, 2009**

6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension

**THE TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO OBTAIN THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	<b>8a</b>	\$
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	<b>8b</b>	\$
<b>c Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	<b>8c</b>	\$ <b>N/A</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title **PRESIDENT**

Date

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type prin File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	SEATTLE ROTARY SERVICE FOUNDATION	91-0612120
	Number, street, and room or suite no. If a P.O. box, see instructions. 1215 4TH AVENUE, SUITE 1215	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SEATTLE, WA 98161	

Check type of return to be filed (File a separate application for each return):

- ☒ Form 990    ☐ Form 990-EZ    ☐ Form 990-T (sec. 401(a) or 408(a) trust)    ☐ Form 1041-A    ☐ Form 5227    ☐ Form 8870  
☐ Form 990-BL    ☐ Form 990-PF    ☐ Form 990-T (trust other than above)    ☐ Form 4720    ☐ Form 6069

**STOP!** Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**CANDACE ANELLO**

- The books are in the care of **1215 4TH AVENUE, SUITE 1215 - SEATTLE, WA 98101**  
Telephone No. **(206) 623-0023** FAX No. \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

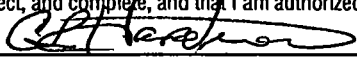
- 4 I request an additional 3-month extension of time until **MAY 15, 2010**.
- 5 For calendar year \_\_\_\_\_, or other tax year beginning **JUL 1, 2008**, and ending **JUN 30, 2009**.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension

**THE TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO OBTAIN THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
c <b>Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ <b>N/A</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **CPA** Date **2/10/2010**

Form 8868 (Rev. 4-2009)

**FILE COPY**



# Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions)	
SEATTLE ROTARY SERVICE FOUNDATION		91-0612120	
Number, street, and room or suite no. If a P.O. box, see the instructions		Principal business activity code number (see instructions)	
1215 4TH AVENUE, SUITE 1215			
City or town, state, and ZIP code		Tax year of change begins (MM/DD/YYYY)	
SEATTLE WA 98101		07/01/2008	
		Tax year of change ends (MM/DD/YYYY)	
		06/30/2009	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions)	
		VALERIE ELLIOTT	
		Contact person's telephone number	

If the applicant is a member of a consolidated group, check this box ☐

If Form 2848, Power of Attorney and Declaration of Representative, is attached, check this box ☐

<b>Check the box to indicate the applicant.</b> <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Controlled foreign corporation (Sec. 957) <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) <input checked="" type="checkbox"/> Exempt organization. Enter Code section <input type="checkbox"/> 501(C)(3)		<b>Check the appropriate box to indicate the type of accounting method change being requested.</b> (see instructions) <input type="checkbox"/> Depreciation or Amortization <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions <input checked="" type="checkbox"/> Other (specify) <b>ACCOUNTING METHOD CHANGE FROM CASH TO ACCRUAL</b>	
<input type="checkbox"/> Cooperative (Sec. 1381) <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Insurance co. (Sec. 816(a)) <input type="checkbox"/> Insurance co. (Sec. 831) <input type="checkbox"/> Other (specify) _____			

**Caution:** The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change, even if not specifically requested by the Form 3115.


Part I Information For Automatic Change Request		Yes	No
1 Enter the requested designated accounting method change number from the <b>List of Automatic Accounting Method Changes</b> (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description. ▶ (a) Change No. <u>84</u> (b) Other <input type="checkbox"/> Description ▶ _____			
2 Is the accounting method change being requested one for which the scope limitations of section 4.02 of Rev. Proc. 2002-9 (or its successor) do not apply? If "Yes," go to Part II.		X	
3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.			X

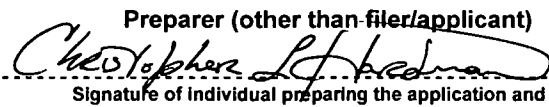
**Note:** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests		Yes	No
4 a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If you answered "No," go to line 5.			X
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?			

## Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

  
 Filer  
 Signature and date  
 W. SPERTING President  
 Name and title (print or type)

  
 Preparer (other than filer/applicant)  
 Signature of individual preparing the application and date  
 CHRISTOPHER L. HARDMAN, CPA  
 Name of individual preparing the application (print or type)  
 CLOTHIER + HEAD, P.S.  
 Name of firm preparing the application

**Part II Information For All Requests (continued)**

	Yes	No
<b>4 c</b> Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		
<b>d</b> Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director.		
<b>e</b> Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day		
<b>f</b> If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name <input type="text"/> Telephone number <input type="text"/> Tax year(s) <input type="text"/>		
<b>g</b> Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
<b>5 a</b> Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court. Name <input type="text"/> Telephone number <input type="text"/> Tax year(s) <input type="text"/>		X
<b>b</b> Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		
<b>c</b> Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? If "Yes," attach an explanation.		X
<b>6</b> If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, provide each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
<b>7</b> If the applicant is an entity (including a limited liability company) treated as a partnership or S corporation for Federal income tax purposes, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If "Yes," the applicant is not eligible to make the change		
<b>8</b> Is the applicant making a change to which audit protection does not apply (see instructions)?		X
<b>9 a</b> Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in accounting method within the past 5 years (including the year of the requested change)?		X
<b>b</b> If "Yes," attach a description of each change and the year of change for each separate trade or business and whether consent was obtained.		
<b>c</b> If any application was withdrawn, not perfected, or denied, or if a Consent Agreement was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, include an explanation.		
<b>10 a</b> Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in accounting method, or technical advice?		X
<b>b</b> If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in accounting method, or technical advice), and the specific issue(s) in the request(s).		
<b>11</b> Is the applicant requesting to change its overall method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of the form. Present method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description) Proposed method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)	X	
<b>12</b> If the applicant is not changing its overall method of accounting, attach a detailed and complete description for each of the following <b>a</b> The item(s) being changed <b>b</b> The applicant's present method for the item(s) being changed <b>c</b> The applicant's proposed method for the item(s) being changed <b>d</b> The applicant's present overall method of accounting (cash, accrual, or hybrid).		

**Part II Information For All Requests (continued)**

	Yes	No
<b>13</b> Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.		
<b>14</b> Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation	X	
<b>15 a</b> Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .		X
<b>b</b> If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application		
<b>16</b> Does the applicant request a <b>conference of right</b> with the IRS National Office if the IRS proposes an adverse response?		X
<b>17</b> If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change		
1st preceding year ended mo JUNE yr 2008 2nd preceding year ended mo JUNE yr 2007 3rd preceding year ended mo JUNE yr 2006		
\$ 325,998 \$ 328,790 \$ 438,949		

**Part III Information For Advance Consent Request**

	Yes	No
<b>18</b> Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent procedures.		X
<b>19</b> Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.		
<b>20</b> Attach a copy of all documents related to the proposed change (see instructions).		
<b>21</b> Attach a statement of the applicant's reasons for the proposed change.		
<b>22</b> If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.		
<b>23 a</b> Enter the amount of <b>user fee</b> attached to this application (see instructions). ▶ \$ _____		
<b>b</b> If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev. Proc. 2003-1 (or its successor) (see instructions).		

**Part IV Section 481(a) Adjustment**

	Yes	No
<b>24</b> Do the procedures for the accounting method change being requested require the use of the cut-off method? If "Yes," do not complete lines 25, 26, and 27 below		
<b>25</b> Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ _____. Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant		
<b>26</b> If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? . . . . .		
<b>27</b> Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? . . . . . If "Yes," attach an explanation		

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed.)**Part I Change in Overall Method** (see instructions)

**1** Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

- a** Income accrued but not received . . . . .
- b** Income received or reported before it was earned. Attach a description of the income and the legal basis for the proposed method . . . . .
- c** Expenses accrued but not paid . . . . .
- d** Prepaid expenses previously deducted . . . . .
- e** Supplies on hand previously deducted and/or not previously reported . . . . .
- f** Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II . . . . .
- g** Other amounts (specify) ▶ . . . . .
- h** **Net section 481(a) adjustment** (Combine lines 1a-1g.) . . . . .

Amount	
\$	NONE
	NONE
	NONE
	NONE
	NONE
	NONE
\$	0

- 2** Is the applicant also requesting the recurring item exception under section 461(h)(3)? ☐ Yes ☐ No
- 3** Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. On a separate sheet, state the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, explain the differences on a separate sheet.

**Part II Change to the Cash Method For Advance Consent Request** (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1** A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2** An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change in Reporting Advance Payments** (see instructions)

- 1** If the applicant is requesting to defer advance payment for services under Rev. Proc. 71-21, 1971-2 C.B. 549, attach the following information:
- a** Sample copies of all service agreements used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the service agreement that require the taxpayer to perform services.
- b** If any parts or materials are provided, explain whether the obligation to provide parts or materials is incidental (of minor or secondary importance) to an agreement providing for the performance of personal services.
- c** If the change relates to contingent service contracts, explain how the contracts relate to merchandise that is sold, leased, installed, or constructed by the applicant and whether the applicant offers to sell, lease, install, or construct without the service agreement.
- d** A description of the method the applicant will use to determine the amount of income earned each year on service contracts and why that method clearly reflects income earned and related expenses in each year.
- e** An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See section 3.11 of Rev. Proc. 71-21.
- 2** If the applicant is requesting a deferral of advance payments for goods under Regulations section 1.451-5, attach the following information:
- a** Sample copies of all agreements for goods or items requiring advance payments used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the agreement that require the applicant to provide goods or items.
- b** A statement providing that the entire advance payment is for goods or items. If not entirely for goods or items, a statement that an amount equal to 95% of the total contract price is properly allocable to the obligation to provide activities described in Regulations section 1.451-5(a)(1)(i) or (ii) (including services as an integral part of those activities).
- c** An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See Regulations section 1.451-5(b)(1).

**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1** Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items.
  - a** Valuing inventory (e.g., unit method or dollar-value method).
  - b** Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, etc.).
  - c** Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d** Determining the current year cost of goods in the ending inventory (e.g., most recent purchases, earliest acquisitions during the year, average cost of purchases during the year, etc.).
- 2** If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3** If the proposed change is not requested for all the LIFO inventory, specify the inventory to which the change is and is not applicable.
- 4** If the proposed change is not requested for all of the LIFO pools, specify the LIFO pool(s) to which the change is applicable.
- 5** Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, the applicant should identify which inventory items are valued under each method.
- 6** If changing to the IPIC method, attach a completed Form 970 and a statement indicating the indexes, tables, and categories the applicant proposes to use.

**Part II Change in Pooling Inventories**

- 1** If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2** If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a** A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b** A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c** If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, the applicant should explain the reasons for the separate facilities, indicate the location of each facility, and provide a description of the products each facility produces.
  - d** A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e** A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f** A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g** A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3** If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4** If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

**Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other**

## Section 263A Assets (see instructions)

**Part I** **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

- 1** To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. If the applicant is a construction contractor, include a detailed description of its construction activities.
- 2 a** Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? . . . ☐ Yes ☐ No
- b** If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? . . . ☐ Yes ☐ No  
If line 2b is "No," attach an explanation.
- c** If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? . . . ☐ Yes ☐ No
- d** If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? . . . ☐ Yes ☐ No  
If line 2d is "Yes," explain what cost comparison the applicant will use to determine a contract's completion factor.  
If line 2d is "No," explain what method the applicant is using and the authority for its use
- 3 a** Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? . . . ☐ Yes ☐ No
- b** If "Yes," explain the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts
- c** Describe the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4** To determine a contract's completion factor using the percentage-of-completion method
- a** Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? . . . ☐ Yes ☐ No
- b** If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? . . . ☐ Yes ☐ No
- 5** Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II** **Change in Valuing Inventories Including Cost Allocation Changes** (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3 If the applicant is subject to section 263A, is its present inventory valuation method in compliance with section 263A (see instructions)? ☐ Yes ☐ No

- 4 a** Check the appropriate boxes below.

**Identification methods:**

**Specific identification .**

**FIFO**

**LIFO**

Other (attach explanation)

### Valuation methods.

**Cost .**

**Cost or market, whichever is lower**

Retail cost

**Retail, lower of cost or market**

Other (attach explanation)

- 5** Enter the value at the end of the tax year preceding the year of change 

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- If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
- a** Copies of Form(s) 970 filed to adopt or expand the use of the method.
  - b Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method
  - c Only for applicants requesting an automatic change.** Attach the statement required by section 10.01(4) of the Appendix of Rev. Proc. 2002-9 (or its successor).

Inventory Being Changed		Inventory Not Being Changed
Present method	Proposed method	Present method

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions).)

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated** (Check the appropriate boxes in Section B showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.)

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

**Part III Method of Cost Allocation** (see instructions) (continued)

**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present Method	Proposed Method
1 Marketing, selling, advertising, and distribution expenses . . . . .		
2 Research and experimental expenses not included on line 26 above . . . . .		
3 Bidding expenses not included on line 22 above . . . . .		
4 General and administrative costs not included in Section B above . . . . .		
5 Income taxes . . . . .		
6 Cost of strikes . . . . .		
7 Warranty and product liability costs . . . . .		
8 Section 179 costs . . . . .		
9 On-site storage . . . . .		
10 Depreciation, amortization, and cost recovery allowance not included on line 11 above . . . . .		
11 Other costs (Attach a list of these costs.) . . . . .		

**Schedule E—Change in Depreciation or Amortization** (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

**Note:** See the *List of Automatic Accounting Method Changes* in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . . ☐ Yes ☐ No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? . . . . ☐ Yes ☐ No  
If "Yes," enter the applicable section ► .....
- 3 Has a depreciation or amortization election been made for the property (e.g., the election under section 168(f)(1))?. . . . ☐ Yes ☐ No  
If "Yes," state the election made ► .....
- 4 a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.  
b If the property is residential rental property, did the applicant live in the property before renting it? . . . ☐ Yes ☐ No  
c Is the property public utility property? . . . . ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, explain how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, provide the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information under both the present (if applicable) and proposed methods.
  - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L, the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.